



**OFFICIAL REPORT**

**OF THE**

**STATES OF GUERNSEY**

**SCRUTINY MANAGEMENT**

**COMMITTEE**

Waste Strategy  
Public Hearing

**HANSARD**

**Guernsey, Tuesday, 13th September 2016**

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**Members Present:**

*Panel Chair:* Deputy Chris Green  
Deputy Peter Roffey  
Deputy Laurie Queripel

**Business transacted**

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# Scrutiny Management Committee

## Waste Strategy Public Hearing

*The Committee met at 2.00 p.m.*

[DEPUTY GREEN *in the Chair*]

### **Procedural – Remit of the Committee**

**The Chairman (Deputy Green):** I just want to start off with a preamble. I would like to welcome everybody here today: elected representatives, our witnesses before us and members of the public alike.

5 Our session today is the first of our regular public review hearings looking at major issues of public and political concern. This is a parliamentary committee hearing of the Scrutiny Management Committee and our focus today will be on the implementation of the waste strategy.

Following this event, the Committee will then decide whether any further review activity will be commissioned on this topic or not.

10 The Committee has noted the concerns of politicians, public and media since the beginning of the new political term in relation to the waste strategy and is determined to question the relevant government representatives and officials in order to obtain a clear, transparent update on the progress that has been made, the financial implications and the implications for individual household costs regarding the implementation of the waste strategy.

15 Without pre-empting any of the questions, we are concerned by the extent to which the waste strategy may have deviated from the original plan approved by the States and we want to try to establish whether there is a point at which renewed approval ought to be given by the States.

20 Now, turning to the arrangements for today, I can confirm that the Hansard transcript from these proceedings will be published in due course. Can I ask anybody who has any mobile devices to please make sure that they are on silent?

It goes without saying that it is essential during our session that the Committee is able to hear from our witnesses without any interruption from the public gallery. That would be much appreciated.

25 So, without any further ado, I would like to turn to the witnesses that we have and I would like them to introduce themselves for the record.

**EVIDENCE OF**

**Mr Adrian Lewis, Chief Secretary to the Committee for the Environment & Infrastructure;**  
**Deputy Barry Brehaut, President, Committee for the Environment & Infrastructure;**  
**Deputy Mark Dorey, Vice-President, Committee for the Environment & Infrastructure;**  
**Deputy Jeremy Smithies, Member, States' Trading Supervisory Board;**  
**Mr Richard Evans, Head of Corporate Services, States of Guernsey Trading Assets**

**The Chairman:** Could I start with you, Mr Lewis?

**Mr Lewis:** Adrian Lewis, Chief Secretary to the Committee for the Environment & Infrastructure.

30 **Deputy Brehaut:** Barry Brehaut, President for the Committee for the Environment & Infrastructure.

35 **Deputy Dorey:** Mark Dorey, Vice-President, the Committee for the Environment & Infrastructure.

**Deputy Smithies:** Jeremy Smithies, member of the States' Trading Supervisory Board.

40 **Mr Evans:** Richard Evans, Head of Corporate Services for the States of Guernsey Trading Assets.

45 **The Chairman:** Thank you. Without any further ado, I would like to start the questions. I think in the first instance, if I could turn to you, Deputy Brehaut. Firstly, in terms of your understanding, could you clarify what the Committee for the Environment & Infrastructure and the States' Trading Supervisory Board are responsible for with regards to the implementation of the waste strategy, under the new arrangements for the system of government that we have?

50 **Deputy Brehaut:** Thanks, because under the old arrangement, you had the Environment Department and you had PSD and there were a number of areas within both mandates that crossed over.

55 As it stands now, the Committee for the Environment & Infrastructure, if we look at the Rules of Procedure of the States of Deliberation and their Committees, it says, Section B, that the Environment Department are responsible for waste, so that is the over-arching waste strategy. The implementation or, the expression he has used before, the doing bit, sits with the States' Trading Supervisory Board.

60 In my seat, I have to think what could happen for my Committee to again have full responsibility for waste and I am assuming that that mechanism would be that, if this went to a States' debate, notwithstanding P&R's delegated authority, and it was *sursised* or an amendment was placed and the new Assembly felt it could not support the new waste strategy then the ball is falling squarely in my court again and then we would have to look at exactly what we want to do with regard to waste strategy.

65 **The Chairman:** Which committee, or board, would be responsible for making the business case to P&R for the strategy to be implemented?

**Deputy Brehaut:** In light of the States deciding to go back on a decision?

**The Chairman:** No, now.

70 **Deputy Brehaut:** It would be for the States' Trading Supervisory Board, as I understand it to make that case.

75 **The Chairman:** I see. Perhaps, this is probably aimed at either Deputy Brehaut, Deputy Dorey or Deputy Smithies. Are there any barriers to the committees working together? Obviously, under the new arrangement there is, to some people's mind, a slightly unsatisfactory split of the responsibilities. Are there any problems and what are the barriers to working together to deliver this strategy that we have got?

80 **Deputy Brehaut:** I suppose one of the barriers would have been if my committee were completely isolated from the States' Trading Supervisory Board. I always try and get this right, the Waste Strategy Implementation Board, and I have probably got that wrong, Deputy Dorey sits on that Committee as well as sitting on the Committee *for the* Environment & Infrastructure and, of course, Deputy Dorey is a former member of PSD, so he comes with a greater political spatial awareness of the issues involved with waste to date.

85 **The Chairman:** Deputy Dorey, do you think there are any barriers to the effective working together?

90 **Deputy Dorey:** No, I do not think so. I think there was a sensible separation between the strategy and doing the work to implement the strategy and that is separated between the two committees. I think it is working well. It is clear. The strategy has been set and it is now implementing it and, because I sit on the Implementation Board, there is that crossover between us.

95 **The Chairman:** Can I ask who else sits on the Implementation Board?

**Deputy Dorey:** Politically, from Environment & Infrastructure, I am the only member.

100 **The Chairman:** Deputy Smithies, do you have anything you would like to add?

**Deputy Smithies:** Yes, I think it is important to say that on the Waste Strategy Implementation Board I am also sitting there as well, so there is an opportunity for an interchange of ideas and experiences between my Committee and Deputy Dorey's Committee.

105 **The Chairman:** Can I move on to the issue of the capital costs of the strategy? Deputy Brehaut, are you in a position today to confirm what is the current anticipated capital cost for the waste management facilities at Longue Hougue for that infrastructure, plus any contingencies? Are you in a position to confirm what the figure is? What is your understanding today?

110 **Deputy Brehaut:** The position to confirm is an interesting question. I come from a different perspective, having been re-elected to the Assembly; reading my manifesto what I said was that there needed to be a position statement by the STSB, or whatever it was, to come back to the States and give us a position statement with regard to costings.

115 What has happened in the meantime is that the new STSB has met with States' Members to go over with them the detail and potential costings. In the 2014 Report, which I think the then Minister, Deputy Scott Ogier, informed the States – it may have been Deputy Luxon, I am sorry I cannot remember – but the figure of £6 per household was raised at that time with regard to the family.

120 **The Chairman:** At this stage, I was really trying to focus in on the headline capital cost. Could I ask, perhaps, Deputy Smithies, are you in a position to confirm today what the anticipated capital cost of the waste management facilities at Longue Hougue is going to be? The figure that has previously been on the cards from the Resolution of the States of February 2014 was £29.5

125 million. Are you in a position to confirm whether the true figure today would be more than that figure or not?

**Deputy Smithies:** Yes, I am in a position to do that. These figures are indicative, because the full business case is in preparation and should be ready fairly soon. By fairly soon, I would say four to six weeks.

130 At the moment, we have got an indicative figure of £33 million. That includes about £2-£2.5 million of contingency, but that is an indicative figure.

**The Chairman:** So the capital cost, Deputy Smithies, obviously has gone up further since the Resolution of 2014, it is now £33 million, you are saying?

135 **Deputy Smithies:** Correct.

**The Chairman:** And, whilst we are still on that, Deputy Smithies again, the Committee understands that there are now three elements of the original plan that have been removed from the plan. That is the in-vessel composting facility is no longer going to be part of the solution. The materials recovery facilities, again not going to be part of the solution, and the fleet of so-called kerbside collection vehicles, again, is not going to be part of the solution.

140 It is fair to say there have been some fairly significant revisions of the strategy in those circumstances, would you accept that?

145 **Deputy Smithies:** That is true. There is provision made in the budget for new vehicles for the kerbside collection. That remains in the programme. You are quite right; the in-vessel composter is no longer included.

150 **Deputy Dorey:** These are still going to be delivered, but they are not going to be delivered by capital charges to the States. They will be delivered by revenue costs, running costs of the facilities.

155 It is how they are costed and who pays for them. As ever, everything will be eventually paid by the user and, I think, when I was on PSD we focused on the overall cost, not just the capital cost but the revenue cost as well, because you can move capital items from one to the other, according to who runs it. It is trying to find the most cost-effective solution for the people of Guernsey. That is what the main focus is on.

160 **The Chairman:** On that subject of cost-effectiveness and value for money – you have been good enough to confirm that the indicative cost is now £33 million, again indicative cost – but with those three elements taken out and the cost has gone up, it is a fair question, isn't it, to ask is this actually value for money in these circumstances?

165 **Deputy Brehaut:** In-vessel composting has gone, but the treatment of food waste is still in there, isn't it?

**Deputy Dorey:** Yes, it is still in the overall cost. It would be not good practice if the States just stuck to a previous decision of the States, irrespective of what the costs were. Decisions were made where, I think, there has been insufficient information. You could go back to the 2012 Resolutions and the numbers in those.

170 **The Chairman:** Three million at that stage, wasn't it?

**Deputy Dorey:** As ever, you can look back through various questions on this subject in the Chamber over that period of time. As more detail has been developed and a greater

understanding of the tenders, the costs have changed. When we went out for tender on the in-vessel composter, the capital cost was so great that it was not the best solution by having in-vessel composting on Island. It was more effective that the food was exported to a UK plant.

180 **Deputy Roffey:** I understand that things can be paid for out of a capital vote or you can do things that would have been used on that equipment in another way, as paid-for revenue, but nevertheless when the States approved it there was £29.5 million for a list of equipment and we are now talking about £33 million for a smaller list of equipment, so the ordinary man in the street might say is it worse value for money than had been flagged up for the States back in 2014?

185 **Deputy Dorey:** It is a change. If you put the capital cost, you have to pay up for the capital, and that would be a revenue cost to the user. The situation has changed. There was not enough information available at that time. Now that more information is available, decisions have been made to deliver the best value for money for the public of Guernsey and, in mind, following the  
190 commitment.

**Deputy Smithies:** With the in-vessel composter, yes that has gone from the programme, but the capital and operating costs for the alternative, the waste transfer station for pre-processing the materials which are going to be sent off-Island, they are very, very similar costs, there is no  
195 overall saving. Simply because the in-vessel composter is not there does not mean it has not been replaced by something else and that is an equivalent.

**The Chairman:** Can I ask a question on that? How is food waste to be treated then, if we are not going to have the IVC?  
200

**Mr Evans:** A lot of the value for money stuff will be decided through the full business case, which we are in the process of putting together. That is going to be submitted, as Deputy Smithies says, in four to six weeks.

In principle, as far as food waste goes, what we are anticipating doing is being able to collect that separately off the kerbside. It will be taken to the waste transfer station, which is the facility at Longue Hougue, where it will be pre-processed and then tankerised, put into the tankers, and shipped away to a facility, probably in the UK, where it will go through anaerobic digestion process and converted into energy.  
205

210 **Deputy Queripel:** Can I just ask, is that processing cost including in the capital cost, then?

**Mr Evans:** The capital cost of the facility will include the infrastructure required to pre-process the food waste.

215 **Deputy Queripel:** Will there be an additional charge to the householder for the collection process? Will that be in addition to the recycling bags and the cost of the black sack bags as well?

**Mr Evans:** The cost of collecting everything off the kerbside, whether that is black sacks, bin or whatever else, will be contained in the overall parish charge.

220 **Deputy Dorey:** The key is perhaps Deputy Roffey's question. Costs have escalated on some items and there is no doubt about that. Decisions have been made looking at the costs. The in-vessel composter was not gone ahead because other costs escalated, it was because it was considered to be very expensive and not value for money.

225 But the other elements of it, costs have escalated. That is why we are over the original Proposition, 2014. That has happened because we have more detail and we have gone out to tender.

230 **The Chairman:** Thank you for that clarification. Can I move things slightly to a different tack and Deputy Smithies might be the best to answer this? The delegated authority that the former T&R had, now Policy & Resources, for the £29.5 million, if you are now saying that the indicative cost is £33 million, I think that probably means you have to come back to the States. Is that your understanding?

235 **Deputy Smithies:** Yes, I would think that would be the case.

**The Chairman:** Do you think it is fair to say that, perhaps, the whole issue should have been returned to the States of Deliberation before now, earlier on this summer perhaps?

240 **Deputy Smithies:** Hindsight is always good, but the thing is we did not know the numbers. Now we do.

**The Chairman:** When did you know the numbers?

245 **Mr Evans:** We have been finalising the numbers on the capital costs over the last few months. In terms of some of the other elements of the waste strategy, we have only just relatively recently completed tendering processes.

250 **Deputy Dorey:** Just to add, for example, getting planning permission for the waste transfer station involves various stipulations in relation to building which affect the cost. I think it would have been wrong to have gone to the States at an earlier stage because what has happened in this project is that the costs have escalated and, although people have given what they consider to be their best estimate at the time, it was not what it has turned out to be. Those costs have increased and it is important that, when we come back to the States, we have the best figures and  
255 it is at the right point.

**Deputy Roffey:** You are going to come back to the States for authority for a more expensive strategy than it was going to be but won't that be, in a way, an almost pointless debate? Haven't you reached the point where the States cannot say no because, if they do not agree to export the waste, it is going to pile up in the streets?  
260

**Deputy Dorey:** It is always a decision of the States. We have had, as you well know, a number of debates where the States have changed policy in the past.

265 **Deputy Roffey:** So, what is your plan B if they say no?

**Deputy Dorey:** I think we have arrived at the situation, I think other politicians have said, the States will only make a definite decision on waste when we run out of space at Mont Cuet and we are effectively there, or almost there.  
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**Deputy Roffey:** So the States will have a gun to their head, they will have to say yes, no matter what the cost?

275 **Deputy Dorey:** There are always other options if people want to pursue other options, but I cannot see another option that is achievable in the short term.

**Deputy Roffey:** So, by the same token, however unconvincing your business case to P&R may be, they are really going to have to say yes, because if they say no there is no other option.

280 **Deputy Dorey:** That is a decision for the States and I cannot predict what the States will do. Ultimately, this will have to go to P&R for the full business case. Now P&R have delegated responsibilities and, if they decide for reasons that they consider it is within the Resolutions of the States, they can approve it. So we expect it to go back to the States but, ultimately a full business case will be presented to the P&R Committee and the States have delegated responsibility, I  
285 expect it will go back to the States.

**The Chairman:** If the indicative cost is now above £29.5 million, then it has to, surely?

290 **Deputy Dorey:** I would expect it to and that is what we all expect it to and that is what we are planning on. I do not want to pre-empt by saying. The process is that they have to look at it. I do not expect them to, but it is possible that they might decide that is within their delegated responsibility.

295 **Deputy Roffey:** If it does go to the States and if it is obvious that the majority of States' Members would prefer an on-Island solution but it is not possible in the timescale of Mont Cuet, how long would it take you to come up with an on-Island solution? How many years would we need to export for?

300 **Deputy Dorey:** That is an impossible question. We do not know what the on-Island solution will be. I think the States made the original decision in 2010 and we are now in 2016, so I think it would be a large number of years before we can and we know that it is easy to say no to something, but saying yes to something is a far more difficult decision. You might get a majority that says no, but to find the majority to say yes is a lot more difficult.

305 **Deputy Brehaut:** Can I just say that, presented in this way, that the States are a body one removed when, in fact, within the Assembly there are a number of fellow travellers on this waste train and during that stage people have made decisions, I think one of them in stalling or not agreeing on two waste incinerators, we have simply passed the buck.

310 Over a period of time this has become a more difficult decision and the timeframe has condensed. There is no doubt about that.

**The Chairman:** Can I ask you this? Since April, since the election, since we have all been in these new roles, the message I am getting, and I might be wrong, is that there has not really been any existential re-examination of the waste strategy, either politically or at an officer level. Would  
315 you agree with that?

320 **Deputy Brehaut:** No. The reality of the situation is that there are two converging lines. There is the date you have to put the spade in the ground to ensure that you have an on-Island export facility, and there is the rate at which Mont Cuet is filling, and that should really focus the mind. With regard to having a gun to our head, it is sheer pragmatism and timelines that dictate the course of action that States' Members have to take, as unpalatable as that action may appear.

**The Chairman:** So there has not been any re-examination of the strategy, is that what you are saying?  
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**Deputy Brehaut:** No, no. I was in this role for, I think, possibly a week, certainly not 10 days, before I met with Richard Evans and his colleagues to get a feel and understanding of where we were with the waste strategy.

330 **The Chairman:** I suppose what I am driving at, is in the last however months it has been, four months, five months, has there been any re-examination of the merits of the strategy from basic principles, from first principles, either politically or operationally?

335 **Deputy Brehaut:** I would say, from my perspective, the information I have had had is being trying to fully understand and appreciate all the dynamics of the proposed strategy, certainly not a total re-examination of how we got there.

**The Chairman:** Let me move on to something else.

340 Can I ask you about export? I think it was in and around the election time we were told where our waste is probably going to go, Sweden. Would you agree that, for the ordinary man in the street, ordinary woman in the street, there is not a great deal of information in the public domain currently that would help that person to assess whether that Swedish plant is a good value for money option or, indeed, a decent environmental option. Why is that?

345 **Deputy Smithies:** Can I just correct you on one thing? It is not export to Sweden. It is ultimately exported to Sweden, but the contract we have is with Geminor UK and the waste is being exported to the UK. What they do with it after that is really up to them. So the choice really was between Jersey and Geminor. They were the only two bidders and we went through a transparent selection process and Geminor came up with the best deal.

350

**The Chairman:** Okay, the thrust of the question was, there is not a great deal of information in the public domain to allow people to judge for themselves whether it is a good option environmentally or a good option in terms of value for money.

355 **Mr Evans:** Whilst we have been through the open and transparent tendering process, we have arrived at a point where we have a preferred bidder. Until we have been through the full business case process and P&R and whoever else have signed that off, we will not be able to confirm any contracts. But, in the meantime, there is still quite a lot of negotiation going on with our suppliers to refine prices, refine costs and refine terms of the contract, so that is one of the reasons why there has not been so much coming out in terms of the costs there.

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In terms of the environmental impacts of the plant in Sweden I would imagine it is available on the internet for people to do their own research which I guess that is relatively easy for them to do.

365 **Mr Lewis:** Could I clarify to say that one of the stipulations was that it had to meet a standard called R1 Recovery so, in terms of environmental standard, the level of recovery and the extent of the efficiency of the plant in which it will process, Geminor are faced with this whether they export to Sweden or, if the Swedish plant was not available, they sent it somewhere else. It would still have to meet the R1 criteria. So in essence we built-in environmental standards into the tender process.

370

The public can take some assurance from the fact that it is not going to be exported to some back of beyond magic hole in the ground.

375 **The Chairman:** I think the thing I am struggling with, and maybe I am not the only one – the contract that is now possibly going to be in place is a very short one, really. That is really built upon, potentially, capital investment of over £30 million as we have learned this afternoon, isn't that contract very short in those circumstances?

380 **Mr Evans:** When we tendered, we sought tenders based upon three type of frames: three, five and 10 years for the contract. Given that there is a reasonably close neighbour who has expressed an interest in dealing with our waste, they were not successful through the tendering process and

the decisions that were taken by the Waste Strategy Implementation Board at the time was that we would go with a shorter contract, initially, to give other businesses, other companies the opportunity to have another go at tendering further down the line. Whether that is three or five years.

**The Chairman:** What was wrong with the Jersey option?

**Mr Evans:** Apart from price? Over potentially the five years of the contract they could have been somewhere around £1 million more expensive. There is some debate about the R1 status of the Jersey incinerator and whether therefore it would be disposing of our waste or whether it is a waste to energy plant.

**Deputy Roffey:** I am confused, then. We have heard the Swedish plant is more environmental and that was sold when you announced it and, yet at the same time, you are keeping it to a short contract to allow the less environmental Jersey plant to put in a bid in three or five years' time. Surely, if Sweden is better environmentally, which should just have a long-term contract with them?

**Mr Evans:** Or any other company out there. Generally, advice we are getting from our procurement colleagues at the moment is that they do not tend to favour longer term, 10-year contracts are not so favoured at the moment. They are pointing us more towards the five-year type contract, more generally.

**Deputy Queripel:** In regard to export and the creation of the facilities at Longue Hougue to process the waste to be exported, as we now know it is going to be in the region of £33 million and, bearing in mind the contract is only going to be for three to five years, there is a lot of unknowns there. That is not to say that, when that contract is finished, we are going to carry on exporting our waste. We might have to incur some additional capital costs to create an on-Island facility.

Do you think that offers value for money, bearing in mind there might be two lots of capital costs within five years of each other?

**Deputy Smithies:** We would still have to process the waste, even if we were to process it or incinerate it, create energy from it in Guernsey. There would be an extra cost for the incinerator, but that would be incurred anyway.

**The Chairman:** Okay, can I move on to recycling targets?

It has been said that barring a miracle the 60% recycling target for household and commercial waste by 2018 is going to be missed, and missed by some way. Do you think, Deputy Brehaut, that shows the target was unrealistic in the first place, or does it show that the political strategy underpinning it has failed?

**Deputy Brehaut:** I am giving a view as, probably, I would say a Deputy rather than the person responsible for delivering the waste strategy. The broader is we have been doing the wrong thing, the cheap thing, the dirty thing, the environmentally wrong thing for a long time.

If we recycled many years before we did, then we would not have the problem in the timeframe that we are dealing with today. If the community were an early uptake with regard to recycling, we would be in a better place.

Environment have, historically, been supportive of reaching realistic but high recycling targets – the previous Environment Department.

435 **The Chairman:** Deputy Smithies, do you think, barring a miracle, that 60% recycling target is not going to be reached by 2018? Do you think it was unrealistic, or do you think the strategy is failing?

**Deputy Smithies:** I think at the time that figure was reached, it was seen as being challenging but, potentially, realistic. Bearing in mind that we are four years further down the track and we are actually starting this a bit later, 60% by 2018 may, more realistically, be 60% by 2022.

440 This, actually, has formed an interesting discussion and debate this morning around the table at the Waste Strategy Implementation Board meeting and it has now been referred back to Deputy Brehaut's Committee for them to review it.

445 **Deputy Dorey:** I think the 60% by the end of 2018 could only have been achieved if the export plant had been up and running and, obviously, the separation of food waste, the kerbside collection of glass, those would have been needed in order to create that 60%.

Also, what is important is the behavioural change by the change in the charging method. Currently there is no incentive for people to recycle, they do it out of community duty, while there will be under the new system.

450 So, I think the Island has done extremely well and I think we are all very grateful as to how much work the public has done.

**The Chairman:** There is a bit of a leap to be done, though, between 48% or whatever it is at the moment, and 70%. Isn't the reality that, in order to get to 60%, or 70%, you are going to need much more aggressive initiatives, as you have perhaps hinted at there? Charges, enforcement action, a change in culture, which is never an easy thing or simple, quick thing to do, to get that leap from where we are now to where want to be in the middle part of the next decade.

460 **Deputy Dorey:** I think what we need to do is, obviously, P&R needs to review the full business case. We need to make decision on kerbside collection of glass and food and set up the export and set up the charging system and then we need to monitor the effect that has and, from that, those targets would need to be reviewed. That was always the understanding.

465 **The Chairman:** You think they will have to be reviewed?

**Deputy Dorey:** Obviously, there will be a step change if everybody agrees to the kerbside collection of glass, the kerbside collection of food and the charging method. Assuming that all happens, I think that will have an effect. What effect we can only predict, we do not know. We would then have to review the effect it has and what further measures need to be done.

470 We can encourage people. We can encourage them by policies, we can encourage them by charging. We ultimately will see whether it involves more cost and moving on to a higher percentage.

475 **Deputy Roffey:** Just for clarification. When the 50%, 60% and 70% targets were set, the methodology for calculating the recycling rate did not include green waste, did it? There was a sudden leap up when it did. Therefore, in a way, we are far shorter of the targets that were set by the States.

480 **Mr Lewis:** I can confirm that it did include green waste.

**The Chairman:** It has been reported that 40% of black refuse waste comprises food waste. Is that by weight or volume? We seem to consider that figure to be fairly high? Mr Lewis, Mr Evans?

**Mr Lewis:** Weight.

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**Mr Evans:** Weight.

**The Chairman:** The question occurs, really, how can the Island reach its recycling targets if it fails to deal with waste food appropriately?

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**Deputy Dorey:** I think it will struggle. As I think I said before, I think in order to make that step change in our recycling rate, it was based on food and glass. I think that goes back to the 2012 report and, unless we have those step changes, I do not think we will achieve the targets.

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**Deputy Queripel:** In respect of recycling, I am seeking some reassurance. Are you absolutely confident that all the material that Guernsey produces for recycling is actually properly recycled?

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Just to expand on that point. We have heard stories from the UK and further afield that some recyclables actually end up being incinerated or going into landfill in other jurisdictions. Now, if that is happening to some of the recycling material that Guernsey produces, say 30%, surely that would mean that some of the efforts and costs involved in our attempts to recycle our waste are needlessly incurred?

What checks are carried out in regard to the final destination or the fate of Guernsey produced recycling materials?

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**Mr Evans:** We operate the recycling, mainly through a third party company that we are contracted to and we have regular contact with the local company, so that we can ascertain generally how things are going in the world of recycling, the issues that may be having with things like contamination of the waste which makes a difference and, I can assure you, the company that we deal with do bang on our door very regularly when something goes wrong or when things are starting to affect how they can process the waste.

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So, we are as comfortable as we can be, through our company that we are contracted with, sending the stuff away, that it is all being recycled.

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**The Chairman:** Can I just ask some final questions? It is just on the solid waste trading account. Perhaps somebody from the Trading Supervisory Board, or Deputy Dorey, you are always a man for figures aren't you? *(Laughter)*

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**The Chairman:** Looking at the figures for the States' waste trading accounts under the heading Support Services, the figure in 2015 was somewhere in the region of about £4.5 million, which was to be fair lower than the rate in 2014, which was somewhere, £5.167 million, can you just confirm that is money that has been spent on professional advisers/consultants?

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**Mr Evans:** We have a robust management system for the solid waste trading account, which was actually fairly recently audited by our internal audit department. They are just in the process of finalising the report, which we are due to have presented shortly.

When I first joined the world of waste, a little over a year or so ago, there were some issues with the amount of money that had been spent on consultants, so we have done quite a thorough review of that and, again, not wishing to pre-empt whatever it says in the internal audit report, we are expecting that to be published fairly soon.

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**The Chairman:** And that would be put in the public domain, would it?

**Mr Evans:** It will be published in line with whatever route internal audit reports are published.

535

**The Chairman:** Potentially. The question I had was how much money has been spent on consultants, professional advisers, since the inception of the waste strategy. If you are not in a

position to give us the figures today then I think we would be grateful to receive them at some point, but I think the question I was driving at was would you be prepared to release those figures into the public domain, potentially?

540

**Mr Evans:** Potentially, I do not see why we shouldn't release the figures into the public domain. I would like to clarify them first and make sure we are releasing the right figures.

**The Chairman:** Granted.

545

The final question for me, for the time being, I think it is fair to say that the whole area of waste strategy is a very complicated policy area. Was there actually one area where, if we had got the right expert advice right at the start, at the very beginning of the process, maybe that would have been a very wise investment and would have meant that the strategy would have been up and running sooner and potentially cheaper? Is that a fair observation?

550

**Mr Evans:** From my experience as the most recent senior responsible officer for this, I think that there are probably some significant lessons that can be learned from what has happened in the past, in particular around the resourcing, amongst other things, so I think the post-implementation review, when that comes along, the report that is published from that is going to be quite useful.

555

**The Chairman:** I think that is a very fair answer. Would that imply that perhaps the wrong consultants were used?

560

**Mr Evans:** I cannot really say, because I only been involved in this for 14 months.

**The Chairman:** Does anybody else have a view on that?

**Deputy Dorey:** I think one of the crucial lessons to learn was that the estimated cost, putting numbers in to a States' Report, there should be more work done behind those so they are realistic. A lot of the problems have been that gross under-estimation that was done in 2012 and, even to a lesser extent, in 2014 and updates that States' Members had subsequent to that.

565

In order to get a good estimate, you have to do a lot of work and that sufficient work was not done.

570

**The Chairman:** And the numbers were soft, weren't they?

**Deputy Dorey:** They were very soft. What is unfortunate is if the States makes a decision, based on those soft numbers, that is not a good political process. I am not saying that anybody was trying to deceive, they did that best at that time and they were, with the election coming in 2012, they were under considerable pressure to get that report to the States before that election, so they did the best they could at that time on the information they had available, but there were not enough resources put into getting the best quality information.

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It is easy to say that after the date, but I imagine that will be one of the conclusions that we reach.

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**Deputy Brehaut:** Can I just make one very broad observation? We should never underestimate the impact our political process has on any procurement process. We have referred to consultants, we have referred to specialists, we constantly refer to professionals. When you introduce the political element under the system that we have, there is an immense amount of risk there that is always difficult to quantify. That would just be an over-arching observation of any process the States' embarks on.

585

590 **Deputy Smithies:** I would certainly concur very strongly with that, but I was just thinking of previous experience in systems analysis.

It is knowing what questions to ask. You say which experts and would we have done better to have different experts, sure. But we have learned a lot along the route and very often the costs escalate simply because questions which you had not anticipated arise and need to be answered, so it has been a learning curve and that always adds to the costs, I am afraid.

595

**The Chairman:** Okay, thank you.

600 **Deputy Roffey:** I will to stay off the analogies, if I can. Going back to recycling, I think probably a question for Deputy Smithies. Exactly how much per annum does the kerbside recycling scheme cost?

**Mr Evans:** The current scheme is costing about £1 million.

605 **Deputy Roffey:** Do you think that represents good value for money, bearing in mind that the published figures tend to suggest there has been really a modest increase in the amount of recycling that is generated?

610 **Deputy Smithies:** I think there is a danger with the actual percentage figures on the recycling. There has been a significant increase in recycling, which on paper looks like something of 2%, but it actually represents quite a bit increase in the recycling rate and it is to do with the make-up of the total recycling package.

**Deputy Roffey:** But a 2% increase is the official figure in the amount of recycling?

615 **Deputy Smithies:** Yes.

**Deputy Roffey:** Can you confirm that the current kerbside scheme is still an extended trial rather than a permanent arrangement?

620 **Deputy Smithies:** I think it is hardening into something a bit more than a trial. It is still a trial, yes, but the experience we have gained from it, I think, is pointing us in the right direction.

625 **Deputy Roffey:** These trials have been going on for an awfully long time, haven't they? I remember Deputy Flouquet first bringing, I think, one in Town and one in part of the countryside. So far, to the outsider, I do not know about the make-up of the recycling, the headline figures suggest they have not made a huge impact on the amount of recycling.

**Deputy Smithies:** I would dispute that.

630 **Mr Evans:** The interim recycling scheme has been extended now, again, to the end of 2017. That is basically to allow us to develop a full business case with whatever system we are going to implement. Equally, if the full business case does determine that this one element of the strategy does not stack up, we will have time to organise our way out of any contracts that we may have.

635 **Deputy Roffey:** So, it would be possible to still pursue the thrust of the strategy, i.e. export, but collect recyclables in a different way?

640 **Mr Evans:** Potentially, depending on what the full business case determines. But, I think it is important to recognise that kerbside recycling is one element of a much wider scheme and it does not really work by pulling out one element and examining that and saying well this does or does

not stack up compared with all the rest. It needs to be considered in the round, because it contributes to the whole of the strategy.

645 **Deputy Roffey:** Going back to the politicians, I suppose my philosophical question is that trials by definition are experiments to see whether they are worth continuing with. How low would the increase in recycling rates in return for your £1 million a year have had to be before you deemed it a failure and decided that it was not the way to go?

650 **Deputy Smithies:** A very good question. I cannot quantify it, I am afraid.

655 **Deputy Queripel:** Can I just add, surely that must have been considered when you looked at the strategy as a whole? Surely you must have had some idea what figure would constitute it worth carrying on with the scheme or not carrying on with the kerbside scheme? Surely it is not going to be something you wait until the eleventh hour to decide?

660 **Mr Lewis:** The introduction of the kerbside scheme, originally, was made at the direction of the States to do it in the 2012 Billet but, equally, in the early days, yes it was a trial. It did demonstrate that kerbside recycling could be done on the Island and there was a market for it, people did want it.

665 **Deputy Dorey:** I just wanted to show you, this is the graph from the 2015 Waste Management Report and it does show that, at the point where the kerbside happened, there was a marked increase in the amount of recycling collected, so I think there was an improvement and it obviously was from a States' Resolution that the scheme was introduced and what has happened on the paper is this 8% drop in newspapers being produced each year. That has meant that, perhaps, the initial increase in the clear bag materials of paper and card has not been maintained and has fallen off. How much it is that factor, because that is a big portion of what is in the clear bags, we do not know.

I suspect that the drop off from the initial increase is influenced by that.

670 Obviously, the kerbside scheme will be more cost-effective when we have the fall of glass and also food, so you have the collection of the four different items.

675 **Deputy Roffey:** I want to come onto that, if I may. I suppose the question I was trying to get to was not whether or not kerbside was a good thing. I think everybody thinks it is, that it increases recycling. It is just whether, given there are lots of good things the States wants to do and only so many million pounds per year that they got to spend, whether this was the biggest bang for the States' buck?

680 Your judgement is that it is, I can pick that up. What I want to ask, though, is that if the States or P&R decide that it is not and, beyond 2017, you do not get the funding for a long-term scheme, how easy would it be to go back to the previous system of, for instance, using bring banks?

685 **Deputy Dorey:** I initially will say just one other further thing on kerbside and then I will answer your question. What was crucial is Mont Cuet and the life of Mont Cuet and the necessity to divert as much as possible away from Mont Cuet and there is no doubt that the diagram shows that it increased recycling by having kerbside collection.

We needed to buy time in terms of Mont Cuet.

I think it was not a simple mathematical is it cost-effective, is it environment-effective, but both those can be argued –

690 **Deputy Roffey:** But that will be past once we start exporting and we just consider the best most cost-effective way –

695 **Deputy Dorey:** To answer your question. One of the problems that PSD and also sitting on the Implementation Board, is the availability of bring bank sites. They are not necessarily good neighbour sites and we have struggled more and more to find sites for them. Some of the sites have some doubt for being available in the future, so the opportunity to go back to having bring banks is not necessarily there.

700 **Deputy Roffey:** Maybe I will ask, was it entirely responsible to remove so many of the bring bank sites when kerbside is only an experiment and you have got no guarantee of long-term funding for it?

705 **Deputy Smithies:** Many of them, actually, were withdrawn at the request of the landowners. They did not want them any more, and, having gone, it is going to be difficult to get them back again, so that was really forced upon them.

710 **Deputy Roffey:** Okay, is it still the intention to charge for recycling bags for kerbside collection?

**Deputy Smithies:** There are, in fact, several options, ranging from not charging at all and putting everything onto the annual bill, right the way through to various gradations of charging for black bags, more for recycling bags and combinations and changes of that sort.

715 So, yes, there is a whole range of options. The one which is favoured at the moment, perhaps, is to put the charge onto the black bag as well as having a sort of standing charge for collection.

**Deputy Roffey:** So, no charge for –

720 **Deputy Smithies:** No charge for the recycling bags. That would encourage people to move their waste. To actually do a bit more recycling, perhaps. Put less into the black bag.

**Deputy Roffey:** That, then, answers my next question about the dangers of people reverting to using your very limited number of bring banks had you been charging for kerbside recycling.

Can I just ask one more question, if I may,?

725 Glass recycling you refer to. Is the suggestion every part of the Island will be able to do glass recycling once the waste strategy is up and running?

730 **Deputy Dorey:** Kerbside collection? That will be part of the full business case and, obviously, that would go to P&R and they would make a decision and, if it has to go the States, the States would make a decision.

We carried out trials. I think there was one trial done a number of years ago which, I think, involved St Peter Port and St Peter's, and then there was another trial done, quite recently. So, there is information about doing it and how we can acceptably do it. Obviously, we know that it is done in many other locations.

735

**Deputy Roffey:** Well, you do not know whether it will be done, yet, in Guernsey?

**Deputy Dorey:** It is done in many other locations. The proposal that would be going in the full business case would be based on kerbside collection of glass.

740

**Deputy Roffey:** I just want to pick up one more point, because it relates to something Deputy Smithies said. I know my colleague Deputy Queripel, later, is going to go into the costs to the household. From what you have just said now, you are looking at black bag charges and a standing charge per house?

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**Deputy Smithies:** A collection charge, yes.

**Deputy Roffey:** From the beginning? A collection charge on the parish rates, not bringing in at an early stage the thing you have got in the background of a flat rate per house, as well?

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**Mr Evans:** There is a potential for three, if you like, charges. There is the charge that the parish will levy for the lorry to come around and pick whatever up from your house; there is a potential for what we call the WDA charge, which would be something like a standing charge, like an electricity standing charge –

755

**Deputy Roffey:** My question is, that was going to be kept in the background. Is it still in the background or will it be used from day one?

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**Mr Evans:** It is in the models we are considering. All of the options are in the models that we are considering that will come forward in the full business case and that includes either all three of those options or two of them or even one of them.

765

**Deputy Roffey:** But is the welcome news, I think, of probably not charging for recycling sacks, likely to generate the unwelcome news that the standing charge will come in from the beginning of the whole system?

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**Deputy Dorey:** Obviously, we know that there is a cost to introducing the scheme and numbers have been bandied about. There are a variety of ways of charging, as Mr Evans has said. What we have to look at it, is what is the best way to give the incentive and also to ensure that the scheme can operate efficiently and a proposal will be put in the full business case. It will explore other solutions and a decision will be then made from that, but what the specific is, we discussed this morning there are at least seven different options of doing it and we favoured one case, but they will go in the business case and a decision will be made from there.

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**Deputy Roffey:** Okay, I think the charging things will be explored more later –

780

**Mr Lewis:** May I just say, there are real dangers here in fragmenting waste to say we have a bottle problem, we have a plastic problem, we have a kerbside problem, we have a food problem. The best solution is kerbside collection from the citizen, the consumer, who has this within their home and the responsible thing to do, the cost-effective thing to do, would be to get as much as this, all of it, on one drop. I suppose that is the ultimate aim.

**The Chairman:** Alright, thank you. We will rise for five or ten minutes. Thank you.

*The Committee adjourned at 2.58 p.m.  
and resumed at 3.08 p.m.*

785

**The Chairman:** Deputy Roffey, I think you were still asking some questions.

790

**Deputy Roffey:** Yes, a few more questions, before we move on to the cost to the householder, where Deputy Queripel will lead.

Just taking up where we left off before and the difficulties of finding bring bank sites and I basically got the impression that was just not a way forward you saw whatsoever. But, if the £1 million per year you are spending on household kerbside collection was diverted into paying decent ground rents, perhaps producing underground bring bank solutions, wouldn't that be a practical approach?

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**Deputy Smithies:** It would certainly be an alternative approach. I am not sure that the sites exist but, certainly they could be investigated. I know people often say that in France they have got a much better infrastructure for dealing with this sort of problem, which does require an investment.

800 The answer is, I do not know the answer.

**Deputy Roffey:** Going back to the capital costs, which was where we started. The estimated £33 million, where is the money going to come from? Are you going to make a bid for that money to come from the Capital Reserve? Are you going to ask for some of the bond money that it seems some people do not know quite how to spend at the moment, or are you going to go out and borrow it privately? There are quite good deals out there at the moment, as well.

**Mr Evans:** I could probably answer that one. The States have previously made a decision. I understand that there will not be a second external borrowing. As I understand it, the bond has been established so that those organisations or entities that do have an income can borrow from it, because there is a revenue stream to repay it.

810 Whilst that is probably what is in our minds, that we will be doing, it will be the decision of Policy & Resources to determine where that pot of cash actually comes from.

**Deputy Roffey:** So, if it came from the bond, it would be designated as borrowing. What would be the annual cost to your solid waste account from having to service that sort of sum?

**Deputy Smithies:** That would be whatever the repayment and interest rate terms were put upon us.

820

**Deputy Roffey:** So there has been no indication yet what that is likely to be?

**Mr Evans:** Again, that will be developed and explained more through the business case that is being put together at the moment. That will contain all the costing information, which will include the cost of borrowing.

825

**Deputy Roffey:** This is, in some ways, a fiendishly complicated thing to grapple with. What aspect of implementing this waste strategy keeps you awake at night.

**Deputy Brehaut:** Well, not implementing it keeps me awake at night, because it is then squarely in my lap. Just because it has been raised, this issue of the bring banks. As popular as the bring banks are, and people like them, as many people who use them, the same people dislike them and the Environment & Infrastructure Committee is responsible for coastal areas, it is responsible for some car parks, it is responsible for parks. I do not want to exaggerate the risk, here, but I would like to have a system of pay as you throw with regard to waste collection. There is always a risk of people who do not want to pay, you get fly tipping. It may be a small consideration but one that should not be entirely ignored for environmental considerations.

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The bring banks, I would like to have a situation like France, where they have *déchetteries*. Every time the former Environment Department has closed a car park where there has been a bring bank, we have really struggled to find somewhere else to put a bring bank. There are not as many sites available as you would imagine because it is not a good neighbour, essentially.

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**Deputy Smithies:** It is the gap between Mont Cuet filling up and the waste plant coming into operation. That worries me.

845

**Deputy Roffey:** So, things are tight?

**Deputy Smithies:** Very.

850 **Deputy Queripel:** Just a supplementary, if I may. You spoke about the possibility of money being borrowed to fund the capital cost of the infrastructure and then you said it has been decided there will be no external borrowing in regard to that. Is that correct? It will have to be by the bond or nothing if money is going to be borrowed, is that correct?

855 **Mr Evans:** It is my understanding that the States does not borrow from external sources.

**Deputy Queripel:** Okay, but what sense would that make if, actually, you could borrow the money to fund the capital costs from the commercial market, at a cheaper rate than you could from the bond? How would that stack up?

860

**Mr Evans:** That is probably a question you need to ask the resources side of P&R.

**The Chairman:** We will.

865 **Deputy Queripel:** In regard to household cost. The public has been told that the cost of the waste strategy will be in the region of £200-£300 per household per year. Why such a wide margin and when will the public be informed of the final agreed cost per household, if somebody wants to deal with that for me?

870 **Deputy Smithies:** I think this all comes back to the full business case, which is in preparation. I think those indicative figures are old.

**Deputy Dorey:** I think the numbers you quoted were from the 2014 report and that highlights the point I made before that perhaps there was a big range in there, because they did not have the full information, because it was at that early stage.

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Obviously, as we have got further information, we are able to then reduce the variance in it. There are always contingencies in any number. We will carry the appropriate contingencies and reach a more definite number.

880 **Deputy Brehaut:** Just in this gap, can I say with regard to Mont Cuet, because Deputy Smithies raised it. The fill rate, it should be full by 2018 and then if it was to have a domed profile or a *hougue*, it would be 2021. So those are the type of time constraints.

**The Chairman:** The costs for capping Mont Cuet, have those been factored in as contingencies in that £33 million number?

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**Deputy Brehaut:** That is a question for my colleagues in doing that profile, because Mont Cuet is not a dead space, it would still be used for hazardous waste and some other materials.

890 **Mr Evans:** Those costs have been factored. They are included.

**Deputy Queripel:** You may feel you have covered this already in the earlier answer to the question, but can you provide a clear comparison between the cost experience now, by a household, and the envisaged cost with the introduction of the waste strategy?

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**Deputy Smithies:** A great deal more, because up until now there has been no cost, or a relatively small cost of filling a hole in the ground. Now we are actually going to have to do

something with the waste and that cost has to be borne by somebody and, at the moment, the decision is it should be borne by the householder.

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**Deputy Queripel:** Can you give any idea at all? Two or three times the cost of now, or perhaps more?

**Deputy Smithies:** Three.

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**Deputy Queripel:** Three times the cost of now.

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**Deputy Dorey:** The cost per household varies to the household and how much waste they produce. So, you can only work on averages, but I think there was a presentation done to States' Members earlier this year which a lot of States' Members attended and some of it was brought to the media, that talked about £7 per week per household.

**The Chairman:** Is that the figure you still stand by? That hasn't changed?

915

**Deputy Dorey:** That is the figure, but obviously until the full business case has gone through the process and been decided we cannot give you the... That was the number that was given in that presentation and that number was given a very short time ago. As I am sure you would expect, it has not changed since then.

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**Deputy Brehaut:** A number of States' Members did attend a presentation where that figure was given and the same presentation was offered to all parishes.

**Deputy Dorey:** The average refuse rate is around £112 per household currently, per year.

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**Deputy Queripel:** Bearing in mind that something like this strategy can actually be potentially environmentally progressive, but in some cases socially regressive, what consideration has been given to the financial impact of the strategy on those socially or economically disadvantaged?

We know that these new charges will be a massive increase, a massive hike for some people and they simply will not be able to afford it.

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**Deputy Smithies:** Clearly, that is a matter of some concern. Personally, I find it quite a difficult one when this comes before the States, there may well be some amendments put with which I may have sympathy. At the moment we are working on a particular programme.

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**The Chairman:** I suppose the question is what consideration have you given to that. Is it a factor that you are analysing, evaluating on a day-to-day basis? I am sure you are all conscious of the potential impact, but what are you actually doing about it?

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**Deputy Dorey:** Obviously supplementary benefit is the area where it would be likely that we would have an effect. Supplementary benefit, we will have to feed that into the Committee and they would have to make a decision whether they are going to adjust the supplementary benefit levels to cope with the new charges?

945

**The Chairman:** Have you talked, hitherto, to the Employment & Social Security Committee on that?

**Mr Lewis:** I can confirm that the Public Service Department did engage with the Social Security Authority, particularly on the level of States supplementary benefit for those who are in the lower earnings brackets.

950 **The Chairman:** That is helpful.

**Deputy Queripel:** Are we saying, then, that this will not only incur an extra cost for householders, but actually for the States in the long run, because people will be receiving supplementary benefit to help them pay their waste charges?

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**Deputy Brehaut:** There is a risk of alarming people, respectfully, with that statement. If we take the current rate, by way of comparison, of TRP, it has been historically very low. When you talk in terms of 25 per cent increase on TRP, for most families it is, respectfully, a relatively small sum of money. The question, then, is if we were not doing this what would be the alternative and I think, Deputy Queripel, I seconded an amendment of yours, which was to move to inert landfill, because States' Members wanted this one more opportunity to put waste in a hole in the ground. But if you take the acquisition of the quarry, the tanking it, lining it, engineering it and then have a treatment ahead of the quarry to make waste inert, that comes at a cost, too, and that cost would have been passed onto the community.

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**Deputy Queripel:** I was going to get into that area anyway, of perhaps the landfill option. Can I just ask, then, has any serious, or proper work been done in regard to how those costs will stack up, as compared with this proposed strategy.

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**Deputy Brehaut:** That would not be a comparison that I would need to make. That would be a comparison for STSB.

**Deputy Queripel:** Can I ask, then, if that has been the case at all?

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**Deputy Dorey:** I think that goes back to the 2012 report where, all the various options were investigated and costed and the figures were presented to the States and conclusions made. You also have to take environmental laws and, if we can continue to put waste in a hole in the ground and that is acceptable and is there anywhere to put it which has not got a large number of houses around or is an older catchment area. So there are many other factors, it is not a simple we can put it in the ground.

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All the options were looked at and that was part of the review post the requête to stop the incinerator. If you go back to cost, even with the incinerator, there was going to be a massive step change in the cost.

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Whatever option, there will be a step change and if there was a hole in the ground, we would have to do it in a very different way to what we have done in the past and there would be a massive capital cost of setting that up.

There is not a cheap option any more.

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**Deputy Roffey:** Accepting that whatever we do in future will be a lot more expensive than we have done in the past, I just want to explore what I see as a socially regressive way of raising that money from the householder.

I am not talking about the black bag charge. I understand the behavioural change you are trying to do there, but the flat rate per household? The current system of TRP, while it is imperfect, at least tries to have a correlation between the ability to pay and how much you pay.

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Under this new system, as I understand it, a person in a one-bedroom flat in Vauvert will pay the same as a person in an open market house on Fort George. How is that remotely fair?

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**Deputy Smithies:** This is precisely what I was referring to when I said I might expect amendments to come forward. This is based entirely on decisions taken in the previous States that we would move to that system.

I personally would rather see TRP. You can gather we had a very wide-ranging meeting this morning, because this was another topic which we discussed and, in fact, I raised it, whether we should go back and revisit this, but we are constrained by the instructions we are acting upon.

1005 **Deputy Roffey:** Congratulations. You seem to be the only States' Committee constrained by the decisions of the previous Assembly. *(Laughter)*

**Deputy Smithies:** The point was made that, yes, amendments can be brought and maybe I will bring one.

1010

**Deputy Roffey:** If there is a States debate.

**Deputy Smithies:** Yes. Oh, there will be.

1015

**Deputy Roffey:** Okay. It was not certain the way it was put before.

**Deputy Queripel:** Yes, I am just wondering, in regard to this quite complex list of charges that are going to be implemented and, perhaps, more on top of that. Wouldn't it be just simpler to pay for the strategy out of taxation, via a taxation route, or is this being driven a green agenda to deliberately change behaviour?

1020

Where is the cut-off point between trying to achieve green objectives and affordability and value for money?

**Deputy Dorey:** Yes, it would be easier to pay for it by taxation. That is a simple method. But, the States have debated it and they considered that it should not be based on a tax, it should be based on the charge, the user pays. It is also beneficial that, if the user pays, it will lead to behavioural change.

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So, that is the basis on what the decisions have been made and the strategy that we have embarked on. I think you are going back to first principles and those principles have been established at the beginning and we need to continue down that road.

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**Deputy Queripel:** At whatever cost?

**Deputy Dorey:** Not at whatever cost. That is why the decisions need to be made in relation to the final business case. It will explore the different options.

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**Deputy Queripel:** I just want to explore in a bit more detail, since we are on it, this tension, perhaps potentially a conflict, between the strategy or the intention of the strategy and the cost and the charging elements. At the top of the waste hierarchy is minimisation and re-use, recycling is about half-way down and then, at the bottom, of course we have got disposal.

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Now, it could be that the people of Guernsey, over time, take the waste hierarchy to heart and produce less waste and less recycling, because of efforts to minimise and re-use. But there are fixed costs associated with this strategy. Under that scenario revenue could decrease. In effect, householders, the people of Guernsey could be asked to pay more because the green elements of the strategy, the waste hierarchy, are taking effect and are successful.

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How do you intend to handle that situation, so that householders and the public do not face being, in a sense, punished financially for helping to make the strategy a success?

Where is the cut-off point in regard to the green objectives and the affordability and value for money considerations of the strategy, because I presume, as I have said before, it cannot be green at all costs, because there are many households that would struggle if faced with this situation?

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If the strategy became really successful and the minimisation and re-use aspects were really achieved, how would you avoid making an actual charge to households that just could not afford, in order to meet the fixed costs of the strategy?

1055 **Deputy Smithies:** I think you are not going to like the answer. The answer is it will be in the full business case, which will be coming out.

These matters have been considered and there will be, obviously, a cut-off point. The numbers are not before me.

1060 **Deputy Brehaut:** Can I say, broad principles here, that if you take the Island Transport Strategy, what was very clear in the report was that, if you do change people's behaviour, you lose revenue, which comes as no surprise. If you adopt a broadly green agenda – that is your terminology, respectfully – if we take the environmental agenda which is to say that Mont Cuet is not clean and this foul leachate, there is a huge process down there to keep that quarry within environmental parameters and that has to be overseen by statutory officials. I am assuming the community want to do that. The community understand that that comes at a cost, but I think there is a universal principle here. If a community collectively moves in a direction where, initially, the success of a scheme means that there is a loss of revenue, that has to be addressed at some point or other.

1070 Just another observation that can be made in any context, we do have a problem on Guernsey with regard to manner in which we approach revenue and collecting tax, if I can put it that way.

**Deputy Queripel:** Could I just press that a bit further, then? You said that issue, if it arose, would need to be addressed. How many options are there to address it? Would it just simply be at the end of the day the householder will pay more, or would we find another way to address the reducing revenue and having to meet the fixed costs.

1080 **Deputy Brehaut:** Can I just say that when TRP was discussed some years ago and there was a revision of TRP, I placed an amendment with regard to people who were in the situation where they were asset-rich and cash poor, so there was a consideration taken for it. We are all political Members in the same Assembly. We do not want to impact on any group of society disproportionately and I am presuming at some point there would have to be measures considered.

1085 **Deputy Dorey:** What I would add is that, as I have said earlier, the method of charging everything is based on encouraging behavioural change and that behavioural change is estimated and, as part of the whole life costs of the plant. Obviously, if you are putting less waste through, perhaps you need less people, there is less wear and tear on the machinery, there would be less material exported, but your fixed costs are charged over a lesser amount of ways.

1090 Those factors are all in our full business case that will go to P&R. So, it is calculated and that is part of the solution.

**Deputy Queripel:** In regard to refuse bags, how will the use of the official States' refuse bags, if there are going to be official States' bags, be enforced? Will all other black refuse bags be banned from import, or will collection be controlled by the contractors only accepting States' bags?

1100 **Deputy Smithies:** It depends how you identify the bags. One thought which is gaining traction at the moment is not to identify the bags by printing on the bags themselves, but to print and issue tags which would be tied around the neck of the bag.

One gets into the realms of forgery or people stealing other people's tags, but one does the best one can. I think the tag method is probably the one that is favoured at the moment.

1105 **Mr Evans:** The best police we have for policing whatever happens at the kerbside site is what happens today on the kerbside and that is our rather excellent refuse collectors who do a really good job for us. I know from personal experience that if I put the wrong colour bag out for recycling, somebody will stick a nice, polite orange notice on it and tell me I have done that. Equally, with the black sacks, they are pretty good at policing those.

1110 **Deputy Roffey:** Out of interest, how does that work, here in St Peter Port at the edge of Burnt Lane there is a whole load of people's bags. How does that function? If there is one that has not got the tag tied on, how do you identify it? Do you go through it to find a letter there?

1115 **Mr Evans:** It has been known! Up to a point, it is best endeavours. We are doing quite a lot of work with where we closed the bring bank and we are doing quite a lot consultation with the people in that area. We are giving them a bit of a mailshot about how they could access a recycling facility. There is a lot of education that goes on and, generally, people are pretty receptive to it.

1120 **Deputy Roffey:** Obviously, if you are going to charge for black bags and you have indicated, delighted to hear it, it might be free for recycling bags, it is going to be used as motivation for people to put things other than pure recycling into the recycling bag. What is the policing method going to be and is there going to be a cost attached to policing in that way?

1125 **Deputy Smithies:** I refer you to the previous answer.

1130 **Mr Evans:** Again, the policing at the kerbside, a lot of it is done by the refuse collectors, but, equally, our recycling contractors can tell us when things are going wrong, so that we can approach it from the other end. We obviously won't know individually which house it necessarily has come from but, generally, we can do information drops and update people.

1135 **Deputy Queripel:** One more with regard to the bags. Will half-size bags be manufactured for smaller families, single occupancy dwellings and charged at a lower fee, or will all the lower bags be charged at the same fee for what is, in essence, black bag waste?

**Deputy Smithies:** Half-size tags.

**Deputy Queripel:** Half-size tags.

1140 **Deputy Smithies:** Tags, not bags. We could easily accommodate that. A different coloured tag or, literally, half a tag.

1145 **Deputy Queripel:** So, that will be accommodated, then? There will be a lesser or a lower charge, whether it is a tag or a bag, for people in smaller occupancy?

**Deputy Smithies:** The details will be in the case and that is considered.

1150 **The Chairman:** I think the only kind of closing question that I have, we have touched upon it to some extent, but I will ask it again just to see what answer I get.

Deputy Dorey, perhaps, in retrospect, what mistakes, if any, were made with the conception of the strategy and its implementation, that government can now learn from, in your view?

**Deputy Dorey:** I think I hinted at it before. There are two things. They need to do more work before you bring numbers. You base a States' decision on some numbers and, if you have not

1155 done sufficient work on those numbers, then your decisions are made which result in the numbers being amended at a later date. That is important.

1160 You need to look at why were those numbers included in the report and that is the crucial thing. It is ensuring that there is sufficient money to spend on the resources to do the proper work up front to present the case to the States and, if you do not have enough resources, you rush it and you then perhaps do not do enough detailed investigation. Obviously, at a concept stage, which is probably the best way to describe the 2012 report, perhaps that is understating it, at that stage more work should have been done and it is just unfortunate that that was not done.

1165 **Deputy Roffey:** Putting flesh on that, could it not be characterised as the deputies in 2012 were really misled, I am not saying wilfully, but misled as to the cost of what is being proposed and, ever since then, they are being told this is what you signed up to in 2012 and you cannot really change course now?

1170 **Deputy Dorey:** They could have changed course, but it would be very difficult to change course. The cost was just one element of the decision. There was an anti-incinerator viewpoint at that time and, also, to have a greener solution and this was considered by maximising recycling, doing as much as economically possible with a green agenda, was part of the solution. It is far more complicated than just looking at the money, but more work should have been done and more presented.

1175 But, as I said, it is easy to say in hindsight. The need to get it done just before the election, and we saw that prior to the 2016 election, there was a lot of pressure for departments to get papers out and perhaps they were rushed and perhaps they just did not do enough work at that stage.

History will look back at that. That is the biggest mistake.

1180 Also, subsequent to that, is ensuring there are adequate resources so that it can be progressed in an acceptable timeframe, because I think it has taken a time to get to where we are today and, I am sure, if you look back, if there had been more resources available to PSD, it would have advanced at a quicker rate than it did, which would have been better for everybody and also given us a bit more safety factor in relation to filling Mont Cuet.

1185 **The Chairman:** You are saying, in essence, the States was trying to do it on the cheap from the inception of coming up with the ideas through to the implementation, at every stage of you like, there was not enough resources on the ground to make it fly?

1190 **Deputy Dorey:** Yes, I think that is. I think the staff have been under a lot of pressure and they have put in many hours in order to progress it, but it is complicated. It was not just delivering the solution, there were further States' decisions, there was liaison with the douzaines, so the whole thing was a complicated solution which involved many different aspects to it and we had to get them all right, including the legislation, in terms of charging.

1195 **Mr Lewis:** I think two things. One, I would say it is actually a whole States process of trying to come up with an accurate price on a capital project, which we have probably never done before in our lives, and then locking into a particular figure as if it is the absolute truth is a flaw we have got, because we are always disappointed when we go to tender and we find a different figure.

1200 I think, to echo Deputy Dorey's point, nobody wants to release money to spend on investigating a solution if there is no certainty to it, so the view is: do not spend money, just try and do your best.

The difficulty is, if you do not make the investment to do proper studies up front, you have much less certainty in the figure you get to at the end.

It is only when you go to tender that you find the true price.

1205 I think there are challenges there. I do not know there is an easy solution, but I do think the challenge we have as a States is that we latch onto a figure at a very early stage of a capital

project when, really, it has not a lot of certainty about it, particularly in areas where we have not had experience before.

1210 **The Chairman:** That is interesting. Has anybody else got anything they would like to add, either on that last point or generally?

1215 **Mr Evans:** I support everything that Mr Lewis has said there. It does not just relate to this particular project. In my experience of some other fairly big, meaty projects in the past in other places, similar experiences, resources, finding a number and sticking to it early days before you have done too much work on it.

1220 **Deputy Dorey:** It was not just the capital cost, it was also the revenue, the charges for services that are going to be supplied as part of the solution and trying to estimate those. We knew that, in fact, they over-estimated the export costs from the original. I think Deputy Luxon came back and said the under-estimated the capital costs, but they over-estimated the export costs. So, sometimes, some things go up and some things go down.

1225 **Deputy Smithies:** I will be positive on this and say that the strategy has not failed. It has been implemented. There was a solution required. Mont Cuét was filling. We have a solution, which has been brought forward.

In some ways, the delays were regrettable but, if we had gone along with the original plan for an incinerator, we would have an enormous plant which would require far more waste than we are producing at the moment, because recycling has worked. There has been a huge reduction in the amount of waste produced in the household, so I think we are on the right track.

1230

**Deputy Brehaut:** I think that, as I said earlier, there was clearly a degree of drift on the waste strategy but for all of those concerned, I am assuming staff, or certainly political Members, it was an emerging picture and I did not want to come here and say, 'the devil is in the detail'!

1235 As you get closer, we, the States collectively, get the helicopter view, we know what needs to happen. When you get closer to the ground, the costs and concepts, you get more familiar with them and you appreciate the costs and that, perhaps, sometimes in the political choreography or trying to sell a concept there may just be sometimes a reluctance to nail what may appear an excessive figure to the mast, when it may have been useful.

1240

**The Chairman:** Thank you. Any other final contributions from anybody on the waste strategy?

**Deputy Brehaut:** No, just thanks for inviting us today.

1245 **The Chairman:** I have just got some closing remarks here. Firstly, I wish to thank the members of the Environment & Infrastructure Committee and the States' Trading Supervisory Board and their officers for attending our hearing today and playing their role in increasing the public awareness of this topic.

1250 This event is very much the start for the Scrutiny Management Committee. Similar events will be held with the presidents of Policy & Resources and the six Principal Committees to examine their progress on implementing policy and their management of resources.

The Committee intend that these hearings will improve the level of public understanding on key areas of government policy. Thank you very much.

*The Committee adjourned at 3.40 p.m.*